

**Arkansas
Residential Contractors Licensing
Law**



**and
Rules of the
Residential Contractors Committee**

Revised July, 2020

Arkansas Residential Licensing Law

17-25-501. Purpose.

It is the intent of this subchapter to protect homeowners and the purchasers of homes constructed in this state by establishing a reasonable and adequate licensing and regulation of homebuilders and home improvement contractors. It is intended that this subchapter apply to everyone not specifically excluded. It is also the intent of this subchapter that the Residential Contractors Committee be located with the board and that the staff and appropriation for the board be utilized to implement this subchapter.

17-25-502. Definitions.

As used in this subchapter:

- (1) "Home improvement contractor" means any person, firm, partnership, co-partnership, association, corporation, or other organization or any combination that attempts to or submits a bid, or contracts, undertakes, or assumes charge in a supervisory capacity or otherwise manages the reconstruction, alteration, renovation, repair, modification, improvement, removal, demolition, or addition to any preexisting single family residence or the property and structures appurtenant thereto;
- (2) "Residential building contractor" means any person, firm, partnership, co-partnership, association, corporation, or other organization or any combination, which for a fixed price, commission, fee or wage, attempts to or submits a bid to construct or contract or undertakes to construct or assumes charge in a supervisory capacity or otherwise manages the construction of a single family residence or the property and structures appurtenant thereto; and
- (3) "Single family residence" means any project consisting of at least one (1) but not more than four (4) units of new construction for residential occupancy.

17-25-503. Committee established – Members – Expenses – Administrative support.

- (a)(1) There is hereby created the Residential Contractors Committee to consist of seven (7) members.
- (2)(A)(i) The Governor shall appoint five (5) persons, each of whom has at least five (5) years' experience in residential construction.

(ii) The Governor shall consult the statewide trade organization or organizations that represent the residential construction industry before making an appointment under this section.

(iii) Of the five (5) residential construction members, one (1) member shall be appointed from each of the four (4) congressional districts, and the remaining member shall be appointed from the state at large.

(iv) The appointments made under subdivision (a)(2)(A) of this section shall be subject to confirmation by the Senate.

(B)(i) Two (2) members of the committee shall not be actively engaged in or retired from the profession of residential contracting.

(ii) One (1) shall represent consumers and the other shall be at least sixty (60) years of age.

(iii) Both shall be appointed by the Governor from the state at large, subject to confirmation by the Senate.

(iv) These two (2) positions may not be held by the same person.

(v) Members appointed to these two (2) positions shall be full voting members, but shall not participate in the grading of examinations.

(C) The members shall serve three-year terms. No member may serve more than three (3) three-year terms.

(3)(A) The committee shall elect a chair, vice chair, and secretary, each to serve in his or her respective capacity for one (1) year.

(B) Officers shall be elected by the committee annually.

(4) Three (3) voting members shall constitute a quorum.

(b) Committee members shall receive the same expense reimbursement and stipend as provided to the Contractors Licensing Board under the procedures prescribed by §25-16-901 et seq. Expenses and stipends shall be paid by the board.

(c) The Governor shall make appointments to fill vacancies in the same manner as appointments were made under subsection (a) of this section. Persons appointed to fill vacancies shall serve the unexpired term of office and shall possess the same qualifications as if they were being appointed to a full term on the committee.

- (d) The board shall provide staff and administrative support for the committee.

17-25-504. Authority.

The Residential Contractors Committee may:

- (1) Issue, modify, suspend, and revoke licenses issued by the committee;
- (2) Establish qualifications for licenses issued by the committee;
- (3) Enforce this subchapter and the committee's rules;
- (4) Issue rules necessary for the implementation of this subchapter;
- (5) Levy civil penalties under this subchapter;
- (6) Issue orders of abatement in the same manner and to the same extent as authorized for the Contractors Licensing Board under § 17-25-103; and
- (7) Seek any other civil remedies which are available to the board.

17-25-505. License from committee required.

(a) A person shall not act as a residential building contractor after July 1, 2001, unless licensed by the Residential Contractors Committee or exempted from licensure under this subchapter.

(b) A person shall not act as a home improvement contractor after January 1, 2012, unless:

- (1) Licensed by the committee; or
- (2) Exempt from licensure under this subchapter.

(c) Any person, firm, partnership, copartnership, association, corporation, limited liability company, or other organization that fails to procure a license as required under this subchapter shall be deemed guilty of a Class A misdemeanor with each day in violation of the requirement to constitute a separate offense.

17-25-506. Application for license.

(a) Applications for licensure shall be made on forms prescribed by the Residential Contractors Committee and shall have attached thereto:

(1)(A) Except as provided in subdivision (a)(1)(B) of this section, a compiled financial statement with each application for all persons and entities required by this subchapter to be licensed by the committee when the cost of the work done or to be done in the State of Arkansas by the contractor, including without limitation labor and materials, is fifty thousand dollars (\$50,000) or more.

(B) A person or entity required to be licensed under this subchapter when the cost of the work done or to be done in the State of Arkansas by the contractor, including without limitation labor and materials, is less than fifty thousand dollars (\$50,000) shall not be required to submit a financial statement; and

(2) Such other information as required by the committee.

(b)(1) The financial statement required with each application is not public information and may not be made available for inspection by any person, unless by an order of a court of competent jurisdiction.

(2) After the contractor is licensed, the Contractors Licensing Board shall destroy the financial statement by the process of shredding or returning the financial statement to the contractor.

17-25-507. Applicant qualifications.

(a) In determining the qualifications of any applicant for original license or any renewal license, the Residential Contractors Committee shall consider, among other things, the following:

- (1) Experience;
- (2) Ability;
- (3) The manner of performance of previous contracts;
- (4) Financial condition;
- (5) Any other fact tending to show ability and willingness to conserve the public health and safety; and
- (6) Default in complying with the provisions of this subchapter or any other law of the state.

(b) The committee may limit a license issued by the committee to the character of work for which the applicant is qualified to perform.

(c) In addition to the offenses listed in § 17-2-102, the board may consider the following offenses when determining fitness for licensure or registration of a contractor under this chapter:

- (1) Conviction of a crime with an element of dishonesty or fraud under the laws of this state, another state, or the United States;
- (2) Conviction of voyeurism as prohibited in § 5-16-101 and § 5-16-102;
- (3) Conviction under the Arkansas Hot Check Law, § 5-37-301 et seq. and;

- (4)(A) A crime or act that is substantially related to the qualifications, functions, or duties of a contractor.
- (B) A crime or act may be deemed substantially related to the qualifications, functions, or duties of a subcontractor if, to a substantial degree, the crime or act evidences present or potential unfitness of a person applying for or holding a contractors license or registration to perform the functions authorized by the license or registration.

17-25-508. Name of licensed contractor.

Contractors licensed under this subchapter may act as such only in the name under which they are licensed by the Residential Contractors Committee.

17-25-509. Written Examination.

Except as otherwise provided in this section, a person shall not be licensed as a residential building contractor unless the person has passed a written examination prescribed by the Residential Contractors Committee.

17-25-510. Hearings regarding violations.

(a) The Residential Contractors Committee may conduct hearings regarding alleged violations of this subchapter or rules promulgated thereunder, and the hearings shall be conducted in accordance with the Arkansas Administrative Procedure Act § 25-15-201 et seq. The committee shall within a reasonable time make findings and determinations as a result of the hearings.

(b) A contractor who, after notice and hearing, is found to have committed the following actions shall pay to the Contractors Licensing Board a civil penalty of not less than one hundred dollars (\$100) nor more than four hundred dollars (\$400) for each day that the violation occurred:

- (1) Acting as a contractor without having a valid license in violation of this chapter;
- (2) Using a contractor in violation of this chapter;
- (3) Presenting or filing the license certificate of another;
- (4) Giving false or forged evidence of any kind to the board in obtaining a certificate of license;
- (5) Using an expired or revoked certificate of license;
- (6) Giving false or fraudulent evidence of a contractor's license to another person or entity; or
- (7) Committing other violations under this chapter.

(c) The committee may revoke the certificate of license of any contractor licensed under this subchapter who is found guilty of:

- (1) Fraud or deceit in obtaining a license;
- (2) Aiding or abetting a contractor or person to violate this chapter; or
- (3) Gross negligence, incompetence, or misconduct in the contractor's business.

(d)(1) When abuse, neglect, or exploitation of an endangered person or an impaired person is found by the committee to have occurred, the committee may:

(A) State in writing that due to imminent physical or other harm to the endangered person or impaired person, the situation merits the emergency suspension of a license or registration; and

(B) Proceed with the suspension of a license or registration without a hearing or upon any abbreviated hearing that the committee finds practicable to suspend the license or registration;

(2) The emergency suspension shall become effective immediately, unless otherwise stated in the written documentation by the board.

(3) The emergency suspension may be effective for a period of longer than thirty (30) days and the emergency suspension shall not be renewable.

(4) When an emergency suspension is ordered, a formal suspension or revocation proceeding shall be promptly instituted and acted upon in accordance with the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

17-25-511. Appeal from committee decision.

Any person aggrieved by an action or decision of the Residential Contractors Committee may appeal to the Contractors Licensing Board within ten (10) calendar days after the action or decision under procedures prescribed by the board. Aggrieved parties shall be granted an opportunity to address the board regarding the committee's actions, and the final actions of the board shall be binding upon the committee.

17-25-512. Expiration of license – Fees.

All licenses issued by the Contractors Licensing Board shall expire one (1) year after the date of issuance unless otherwise provided by the Residential Contractors Committee. The committee may charge reasonable examination fees and delinquency fees and may charge a fee not to exceed one hundred dollars (\$100) for new licenses or renewal of a

license. All fees and other monies collected by the committee shall be disposed of as provided by § 17-25-205 and shall be used by the board to implement this subchapter.

17-25-513. Exemptions.

The following shall be exempted from the licensing requirements of this subchapter:

- (1) A person who acts as a residential building contractor in the construction of his or her residence unless he or she builds more than one (1) residence during any calendar year;
- (2) The owner of a single family residence acting as his or her own home improvement contractor on his or her own property;
- (3)(A) A person or entity acting as a residential building contractor or a home improvement contractor on any project, when the cost of the work done or to be done does not exceed two thousand dollars (\$2,000).
(B) Subdivision (3)(A) of this section shall not apply to a project in which the construction work necessary to complete the project is divided into separate contracts of amounts less than two thousand dollars (\$2,000);
- (4) A subcontractor of a contractor licensed by the Residential Contractors Committee; and
- (5) A person or entity licensed as a contractor by another licensing agency, board, or commission of the State of Arkansas if the contractor is performing work within the scope of the license held by the person or entity.

17-25-514. Workers' compensation required.

- (a) A contractor required to be licensed by the Residential Contractors Committee shall secure and maintain workers' compensation coverage as required under § 11-9-401 et seq.
- (b) The committee shall require proof of current workers' compensation coverage before issuing or renewing a license to a contractor who is required to have workers' compensation coverage under § 11-9-401 et seq.
- (c) Unless otherwise required by law, a home improvement contractor required to be licensed under this subchapter shall not be required to secure the payment of workers' compensation under § 11-9-401 et seq. or provide proof of coverage to the committee before issuing or receiving a license if the cost of the work done or to be done in the State of Arkansas by the home improvement contractor, including without limitation labor and materials, is less than fifty thousand dollars (\$50,000).

(d)(1) If a contractor fails to maintain workers' compensation coverage or fails to maintain proof of current workers' compensation coverage on file with the committee, the committee shall revoke the contractor's license.

(2) A contractor's license that has been revoked due to failure to maintain workers' compensation coverage may be reinstated upon receipt of proof that the contractor has secured workers' compensation coverage.

(e) The committee shall promulgate rules necessary to enforce this section.

17-25-515. Actions to enforce contracts in violation of this subchapter.

A contractor found guilty of a violation of this subchapter shall not bring an action:

(1) In law or equity to enforce any provision of a contract entered into in violation of this subchapter; or

(2) For quantum meruit.

Arkansas Criminal Background Check Law

17-2-102. Licensing restrictions based on criminal records.

(a) An individual is not eligible to receive or hold a license issued by a licensing entity if that individual has pleaded guilty or nolo contendere to or been found guilty of any of the following offenses by any court in the State of Arkansas or of any similar offense by a court in another state or of any similar offense by a federal court, unless the conviction was lawfully sealed under the Comprehensive Criminal Record Sealing Act of 2013, § 16-90-1401 et seq., or otherwise previously sealed, pardoned or expunged under prior law:

- (1) Capital murder as prohibited in § 5-10-101;
- (2) Murder in the first degree and second degree as prohibited in §§ 5-10-102 and 5-10-103;
- (3) Manslaughter as prohibited in § 5-10-104;
- (4) Negligent homicide as prohibited in § 5-10-105;
- (5) Kidnapping as prohibited in § 5-11-102;
- (6) False imprisonment in the first degree as prohibited in § 5-23-11-103;
- (7) Permanent detention or restraint as prohibited in § 5-11-25-106;
- (8) Robbery as prohibited in § 5-12-102;
- (9) Aggravated robbery as prohibited in § 5-12-103;
- (10) Battery in the first degree as prohibited in § 5-13-201;
- (11) Aggravated assault as prohibited in § 5-13-204;

- (12) Introduction of a controlled substance into the body of another person as prohibited in § 5-13-210;
- (13) Aggravated assault upon a law enforcement officer or an employee of a correctional facility as prohibited in § 5-13-211, if a Class Y felony;
- (14) Terroristic threatening in the first degree as prohibited in § 5-13-301;
- (15) Rape as prohibited in § 5-14-103;
- (16) Sexual indecency with a child as prohibited in § 5-14-110;
- (17) Sexual extortion as prohibited in § 5-14-113;
- (18) Sexual assault in the first degree, second degree, third degree, and fourth degree as prohibited in §§ 5-14-124 — 5-14-127;
- (19) Incest as prohibited in § 5-26-202;
- (20) Offenses against the family as prohibited in §§ 5-26-303 — 8 5-26-306;
- (21) Endangering the welfare of an incompetent person in the first degree, as prohibited in § 5-27-201;
- (22) Endangering the welfare of a minor in the first degree as prohibited in § 5-27-205;
- (23) Permitting the abuse of a minor as prohibited in § 5-27- 14 221;
- (24) Engaging children in sexually explicit conduct for use in visual or print media, transportation of minors for prohibited sexual conduct, pandering or possessing visual or print medium depicting sexually explicit conduct involving a child, or use of a child or consent to use of a child in a sexual performance by producing, directing, or promoting a sexual performance by a child, as prohibited in §§ 5-27-303 — 5-27-305, 5-27-402, 21 and 5-27-403;
- (25) Computer child pornography as prohibited in § 5-27-603;
- (26) Computer exploitation of a child in the first degree as prohibited in § 5-27-605;
- (27) Felony adult abuse as prohibited in § 5-28-103;
- (28) Theft of property as prohibited in § 5-36-103;
- (29) Theft by receiving as prohibited in § 5-36-106;
- (30) Arson as prohibited in § 5-38-301;
- (31) Burglary as prohibited in § 5-39-201;
- (32) Felony violation of the Uniform Controlled Substances Act, 31 §§ 5-64-101 — 5-64-510, as prohibited in the former § 5-64-401, and §§ 5-64- 419 — 5-64-442;
- (33) Promotion of prostitution in the first degree as prohibited in § 5-70-104;
- (34) Stalking as prohibited in § 5-71-229;
- (35) Criminal attempt, criminal complicity, criminal solicitation, or criminal conspiracy, as prohibited in §§ 5-3-201, 5-3-202, 5-3-301, and 5-3-401, to commit any of the offenses listed in this subsection; and
- (36) All other crimes referenced in this title.

(b)(1) If an individual has been convicted of a crime listed in subsection (a) of this section, a licensing entity may waive disqualification or revocation of a license based on the conviction if a request for a waiver is made by:

(A) An affected applicant for a license; or

(B) The individual holding a license subject to revocation.

(2) A basis upon which a waiver may be granted includes without limitation:

- (A) The age at which the offense was committed;
- (B) The circumstances surrounding the offense;
- (C) The length of time since the offense was committed;
- (D) Subsequent work history since the offense was committed;
- (E) Employment references since the offense was committed;
- (F) Character references since the offense was committed;
- (G) Relevance of the offense to the occupational license; and
- (H) Other evidence demonstrating that licensure of the applicant does not pose a threat to the health or safety of the public.

(c) If an individual has a valid criminal conviction for an offense that could disqualify the individual from receiving a license, the disqualification shall not be considered for more than five (5) years from the date of conviction or incarceration or on which probation ends, whichever date is the latest, if the individual:

- (A) Was not convicted for committing a violent or sexual offense; and
- (B) Has not been convicted of any other offense during the five year disqualification period.

(d) A licensing entity shall not, as a basis upon which a license may be granted or denied:

(1) Use vague or generic terms, including without limitation the "moral turpitude" and "good character"; or

(2) Consider arrests without a subsequent conviction.

(e) Due to the serious nature of the offenses, the following shall result in permanent disqualification for licensure:

- (1) Capital murder as prohibited in § 5-10-101;
- (2) Murder in the first degree as prohibited in § 5-10-102 and murder in the second degree as prohibited in § 5-10-103;
- (3) Kidnapping as prohibited in § 5-11-102;
- (4) Aggravated assault upon a law enforcement officer or an employee of a correctional facility as prohibited in § 5-13-211, if a Class Y felony;
- (5) Rape as prohibited in § 5-14-103;
- (6) Sexual extortion as prohibited in § 5-14-113;

- (7) Sexual assault in the first degree as prohibited in § 5-14- 15 124 and sexual assault in the second degree as prohibited in § 5-14-125;
- (8) Incest as prohibited in § 5-26-202;
- (9) Endangering the welfare of an incompetent person in the first degree as prohibited in § 5-27-201;
- (10) Endangering the welfare of a minor in the first degree as prohibited in § 5-27-205;
- (11) Adult abuse that constitutes a felony as prohibited in § 5- 22 28-103; and
- (12) Arson as prohibited in § 5-38-301.

(f) This chapter does not preclude a licensing entity from taking emergency action against a licensee as authorized under § 25-15-211 for the sake of public health, safety, or welfare.

(g) The permanent disqualification for an offense listed in subsection (e) of this section does not apply to an individual who holds a valid license on the effective date of this chapter.

17-2-103. Prelicensure criminal background checks.

(a)(1) An individual with a criminal record may petition a licensing entity at any time for a determination of whether the criminal record of the individual will disqualify the individual from licensure and whether or not he or she could obtain a waiver under § 17-2-102(b).

(2) The petition shall include details on the criminal record of the individual.

(b)(1) A licensing entity may require that the applicant undergo a state and federal criminal background check as required by the licensing entity for all applicants for a license.

(2) The petitioner under subsection (a) of this section shall be responsible for payment for the state and federal criminal background check.

RULES OF THE RESIDENTIAL CONTRACTORS COMMITTEE

224-25-5-1. ISSUANCE OF LICENSE

(a) All licenses will be issued under the name and address listed on the front of the application form. The use of any other name may constitute a violation. It is the responsibility of the licensee to inform the Committee in writing of any name, address, ownership or any other change relating to said license within 15 days of such change.

(b) All applications must be filed in one of five categories; (1) individual, (2) partnership, (3) corporation, (4) limited liability company or (5) limited liability partnership. Each application must be supported by a qualifying party, who has satisfactorily completed such examination as may be required by the Committee, prior to being issued a license. Anyone failing to pass such examination may be reexamined at any regular examination period, upon payment of proper fee. Should the qualifying party (business and law or trade) leave a licensed entity, written notice shall be given within fifteen (15) days to the Committee. The notice shall state the name and position of individual leaving and the name and position of the individual who will replace the departing qualifier. The replacement qualifier must be fully qualified within thirty (30) days of the departure of the previous qualifier. Any license not renewed within two years of expiration shall not be renewed.

(c) If a license has been expired for two (2) years or more, the applicant must submit a new application. Applicants who have previously held a contractors license in good standing shall not be required to submit proof of appropriate experience if seeking the same classification previously held.

224-25-5-2. LICENSE EXPIRATION & RENEWAL

(a) Expiration. All licenses shall expire at midnight of the date of its expiration. However, a license held by an active duty service person, or their spouse, who is on deployment outside the State of Arkansas shall not expire until 180 days following their return to the State.

(b) Renewal.

(1) Renewal notices will be mailed approximately 60 days prior to the expiration of a license. However, it shall be the responsibility of the holder of the License to renew said license. Failure to receive a renewal notice shall not excuse the failure to timely renew. A renewal application will be considered timely filed if received by the Committee by the expiration date.

(2) Renewal applications received by the Committee prior to the expiration date of the license shall be accompanied by the on-time renewal fee and the licensee may continue to use the license until the next meeting of the Committee following the expiration date of the license.

(3) Renewal applications received within thirty (30) days after the expiration of the license shall be accompanied by the late renewal fee. UPON RECEIPT OF THE APPLICATION, the license shall be deemed to be reinstated until the Committee has met and acted upon the renewal. The reinstatement of a license does not reinstate the license for the time period between the expiration of the license and the receipt of the application by the Committee.

(4) Any renewal application received more than thirty (30) days after the expiration of the license shall be accompanied by the late renewal fee and may be reviewed by the Committee at its next available meeting. The applicant shall not have a valid license until said application is approved by the Committee. A license may be renewed up until two (2) years after its expiration date. Any licensee expired two (2) years or more may apply for reinstatement.

(5) Any renewal application not meeting the requirements of the Committee at its initial review, but being placed in an "improve status" will constitute an extension of the existing license until the next available Committee meeting, at which time the license will expire if a new license is not issued.

224-25-5-3. LICENSE APPLICATIONS

Any new application not complete within ninety (90) days after original receipt in our office will become invalid. Any new application not passing the Committee's review will be considered invalid after ninety (90) days from the date of its original review. During the ninety (90) day period, the applicant may have the opportunity to make corrections or improvements needed in the application in order to warrant the issuance of a license. After an application becomes invalid a new application and fee must be submitted for consideration to obtain a license.

224-25-5-4. LICENSE FEES

(a) New Applications (Individuals or Entities Not Licensed by the Contractors Licensing Board). All new applications for Residential Builder by individuals or entities not currently licensed by the Contractors Licensing Board must be accompanied by a One Hundred Dollar (\$100.00) application/licensing fee. This fee is non-refundable.

(b) New Applications (Individuals or Entities Not Licensed by the Contractors Licensing Board). All new applications for Residential Remodeler or Residential Specialty

Contractors by individuals or entities not currently licensed by the Contractors Licensing Board must be accompanied by a Fifty Dollar (\$50.00) application/licensing fee. This fee is non-refundable.

(c) New Applications (Individuals or Entities Currently Licensed by the Contractors Licensing Board). Individuals or entities currently licensed by the Contractors Licensing Board need not submit an application or licensing fee, however, they must submit an amended class request form and meet the requirements for a license.

(d) Renewal Applications (Individuals or Entities Not Licensed by the Contractors Licensing Board). All renewal applications for Residential Builder by individuals or entities not currently licensed by the Contractors Licensing Board must be accompanied by a Fifty Dollar (\$50.00) licensing fee, if the renewal application is timely filed. If the application is not timely filed, the application shall be accompanied by a One Hundred Dollar (\$100.00) licensing fee. This fee is non-refundable.

(e) Renewal Applications (Individuals or Entities Not Licensed by the Contractors Licensing Board). All renewal applications for Residential Remodeler or Residential Specialty Contractor by individuals or entities not currently licensed by the Contractors Licensing Board must be accompanied by a Twenty Five Dollar (\$25.00) licensing fee, if the renewal application is timely filed. If the application is not timely filed, the application shall be accompanied by a Fifty Dollar (\$50.00) licensing fee. This fee is non-refundable.

(f) Renewal Applications (Individuals or Entities Currently Licensed by the Contractors Licensing Board). Individuals or entities which have a Contractors License shall only pay the renewal fee for the Contractors License. No additional fee is required.

224-25-5-5. INACTIVE STATUS

A holder of a license may choose to become inactive in the State of Arkansas at the time of any renewal. A license holder who is inactive may not bid on any contract, pull any permit, nor perform any work for which a license is required. A license holder who elects inactive status must pay all renewal fees, but is not required to submit financial information to the Committee. A license holder who is on inactive status may reactivate its license by making a request to the Committee and providing all necessary information required to renew as an active license holder. A license holder may remain on inactive status for a period of time not to exceed six (6) consecutive years. Active duty service people who hold license are allowed additional time in inactive status if deployed outside the State of Arkansas. However, they must request additional time within 180 days of returning to the State.

224-25-5-6. EXPERIENCE REQUIRED

(a) Residential Building.

(1) In order to show appropriate experience, qualifications and ability to perform in Residential Building, the following must be provided:

(A) Proof of four (4) years of appropriate verifiable experience in the Building industry (commercial or residential) must be shown.

(B) Three verifiable references on the forms prescribed by the Committee.

(C) Compliance with all other state laws and regulations reasonably connected to the performance of residential building.

(2) The Committee will take into consideration past performance, complaints, or violations of the law or regulations of the Committee and of the Contractors Licensing Board.

(b) Residential Remodeler.

(1) In order to show appropriate experience, qualifications and ability to perform residential remodeling, the following must be provided:

(A) Proof of two (2) years of appropriate verifiable experience in the remodeling industry (commercial or residential) must be shown.

(B) Three verifiable references on the forms prescribed by the Committee.

(C) Compliance with all other state laws and regulations reasonably connected to the performance of residential remodeling.

(2) The Committee will take into consideration past performance, complaints, or violations of the law or regulations of the Committee and of the Contractors Licensing Board.

(c) Specialties.

(1) In order to show appropriate experience, qualifications and ability to perform residential specialty contracting, the following must be provided:

(A) Proof of appropriate verifiable experience in the specialty area (commercial or residential) must be shown.

(B) Three verifiable references on the forms prescribed by the Committee.

(C) Compliance with all other state laws and regulations reasonably connected to the performance of residential remodeling.

(2) The Committee will take into consideration past performance, complaints, or violations of the law or regulations of the Committee and of the Contractors Licensing Board.

224-25-5-7. EXAMINATION REQUIRED

Unless exempted by the provisions of Ark. Code Ann. § 17-25-509, no person or entity shall be licensed by the Committee unless the individual, or a qualifying party for an entity, has passed the written examination required by the Committee.

224-25-5-8. FINANCIAL REQUIREMENTS

(a) Residential Building Contractors, Unlimited Residential Remodelers, Unlimited Residential Specialty Contractors

(1) All new and renewal applications must be submitted with a compiled financial statement of the applicant, showing a positive net worth excluding the applicant's homestead and retirement accounts.

(2) All financial statements must be submitted on the form approved by the Committee or in a similar format such as to provide the Committee with the information sufficient to adequately review the financial status of the applicant. All financial statements must be sworn to be true and correct. Corporations, Partnerships and Limited Liability Companies, etc., must file a business financial statement, not a personal financial statement.

(b) Limited License Residential Remodelers, Limited License Residential Specialty Contractors

(1) No financial statement shall be required. A contractor holding a Limited License is not authorized to perform a project if the cost of the work to be done in the State of Arkansas, including, without limitation, labor and material, is \$50,000 or more.

(c) (1) If the Committee determines that the financial information provided by an applicant for a new or renewal license does not satisfy the financial requirements, the Committee may, at its option, deny the application or place the application in Improve status.

(2) A renewal applicant who is placed in Improve status will have its license extended until the next regular meeting of the committee, pending further information being provided and/or changes being made by the applicant to resolve any difficulties. The license is effective only until the next regular meeting of the Committee and will expire at the next regular meeting unless further action is taken by the Committee.

(d) The Committee will also consider past performance, complaints and ability to perform in determining whether to issue a new or renewal license.

224-25-5-9. CLASSIFICATIONS

(a) A contractor licensed as Residential Building Contractor or a Residential Remodeler is considered to be a "general contractor" and is authorized to perform any of the "specialties" associated with the classification in question. A contractor licensed as a Residential Specialty Contractor is authorized to only perform the functions of the specific specialty for which a license is held. It is the responsibility of the applicant for a classification or a specific specialty to show appropriate experience and qualifications in each classification requested and demonstrate the ability to perform said classification.

(b) A licensee may perform Construction Management in the classification it is licensed.

(c) A contractor shall maintain proper personnel, financial ability and facility to perform for the owner: coordination, development and management expertise for the project.

(d) CLASSIFICATIONS AND SPECIALTIES – A contractor holding a classification may perform any of the functions listed under that classification. Performing work not listed under that classification may constitute a violation.

OUTLINE OF CLASSIFICATIONS

(1) Residential Building Contractor

Additions

Awnings, Canopies & Gutters

Base & Paving

- a. Base Construction
- b. Hot & Cold Mixes
- c. Surface Treatment
- d. Asphalt
- e. Concrete Paving

Boat Docks

Carpentry, Framing, Millwork, Cabinets

Ceilings, Wall Systems, Acoustical Treatments

Central Vacuum Systems

Chimneys, Fireplaces

Communications, Computers or Sound Systems, Cabling

Concrete

Demolition

Detached Garage, Storage Building, Detached Structures, Metal Buildings

Drywall

Erosion Control
Fencing, Gates
Floors, Floor Coverings
Foundation Construction or Drilling, Pile Driving, Stabilization
Glass, Glazing, Doors, Windows
Grading & Drainage (Includes Grading, Drainage, Pipe & Structures, Culverts, Clearing,
Grubbing & Rip Rap), Excavation
Greenhouses and Sunrooms
Insulation
Interior Work
Kitchen and Bathroom Renovations
Landscaping, Irrigation, Lawn Sprinklers, Streams
Lathe, Plaster, Stucco, Dryvit, EIFS
Masonry
Metal Studs, Walls
New Home Construction
Overhead Doors
Painting, Wall Covering
Remodeling, Renovations, Restoration, Alterations
Retaining Walls
Roofs, Roof Decks, Roofing Sheet Metal
Siding, Soffit, Fascia & Gutters
Skylights
Solar Systems
Special Coatings or Applications, Caulking, Waterproofing
Steel, Alloy, Ornamental, Metal Fabrication, Welding
Storm Shelters
Swimming Pools, Spas
Tile, Terrazzo, Marble, Countertops

(2) Residential Remodeler

Additions

Awnings, Canopies & Gutters

Base & Paving

- a. Base Construction
- b. Hot & Cold Mixes
- c. Surface Treatment
- d. Asphalt
- e. Concrete Paving

Boat Docks

Carpentry, Framing, Millwork, Cabinets

Ceilings, Wall Systems, Acoustical Treatments

Central Vacuum Systems
Chimneys, Fireplaces
Communication, Computer or Sound Systems, Cabling
Concrete
Demolition
Detached Garage, Storage Building, Detached Structures, Metal Buildings
Drywall
Erosion Control
Fencing, Gates
Floors, Floor Coverings
Foundation Construction or Drilling, Pile Driving, Stabilization
Glass, Glazing, Doors, Windows
Grading & Drainage (Includes Grading, Drainage, Pipe & Structures, Culverts, Clearing, Grubbing & Rip Rap), Excavation
Greenhouses and Sunrooms
Insulation
Interior Work
Kitchen and Bathroom Renovations
Landscaping, Irrigation, Lawn Sprinklers, Streams
Lathe, Plaster, Stucco, Dryvit, EIFS
Masonry
Metal Studs, Walls
Overhead Doors
Painting, Wall Covering
Remodeling, Renovations, Restoration, Alterations
Retaining Walls
Roofs, Roof Decks, Roofing Sheet Metal
Siding, Soffit, Fascia & Gutters
Skylights
Solar Systems
Special Coatings or Applications, Caulking, Waterproofing
Steel, Alloy, Ornamental, Metal Fabrication, Welding
Storm Shelters
Swimming Pools, Spas
Tile, Terrazzo, Marble, Countertops

(3) SPECIALTIES (Specific)

A contractor may obtain one or more of the Specialty Classifications by proper qualifications shown. The list of those Specialty Classifications is:

SPECIALTIES

Awnings, Canopies & Gutters

Base & Paving

- a. Base Construction
- b. Hot & Cold Mixes
- c. Surface Treatment
- d. Asphalt
- e. Concrete Paving

Boat Docks

Carpentry, Framing, Millwork, Cabinets

Ceilings, Wall Systems, Acoustical Treatments

Central Vacuum Systems

Chimneys, Fireplaces

Communication, Computer or Sound Systems, Cabling

Concrete

Demolition

Detached Garage, Storage Building, Detached Structures, Metal Buildings

Drywall

Fencing, Gates

Floors, Floor Covering

Foundation Construction or Drilling, Pile Driving, Stabilization

Glass, Glazing, Doors, Windows

Grading & Drainage (Includes Grading, Drainage, Pipe & Structures, Culverts, Clearing, Grubbing & Rip Rap), Excavation

Greenhouses and Sunrooms

Insulation

Kitchen and Bathroom Renovations

Landscaping, Irrigation, Lawn Sprinklers, Streams

Lathe, Plaster, Stucco, Dryvit, EIFS

Masonry

Metal Studs, Walls

Overhead Doors

Painting, Wallcovering

Rebar

Retaining Walls

Roofing, Roof Decks, Roofing Sheet Metal

Siding, Soffit, Fascia, Gutters

Skylights

Solar Systems

Special Coatings or Applications, Caulking, Waterproofing

Steel, Alloy, Ornamental, Metal Fabrication, Welding

Storm Shelters

Swimming Pools, Spas

Tile, Terrazzo, Marble, Countertops

224-25-5-10. COMPLAINTS & INVESTIGATIONS

(a) The purpose of the complaints procedure is to effectively deal with issues affecting the licensure of licensees. The complaints procedure is not intended to function as a dispute resolution process or a code enforcement process. Any complaint registered with the Committee of alleged violations must be submitted in writing with proper information to identify job site, owner if possible, any name and phone numbers of individuals and any other information that may tend to be useful in the investigation. The Complainant must furnish his/their name, address and phone number in order to obtain any other information that may be necessary for proper investigation. A written response will be made to a Complainant when investigation is closed.

(b) A contractor who is licensed shall cooperate with any investigation and provide the Committee or the Contractors Licensing Board with all relevant information requested by the Committee or Board. The failure to cooperate or to timely provide the Committee or Board with relevant information as requested may constitute misconduct in the conduct of the contractors business and may subject the contractor to the revocation of the contractors license.

(c) The Committee may delegate to the administrator/investigator the authority to obtain licensee compliance as may be necessary. The administrator/investigator will conduct all investigations in such a manner that would be complimentary to the licensing law.

(d) Any application being denied because of a violation of Ark. Code Ann. § 17-25-101 through 17-25-513 may become invalid and a new application must be submitted.

(e) It is the stated purpose of the residential and home improvement law to protect homeowners and the purchasers of homes constructed in this state. Because Act 1208 expands the coverage of the residential law to include home improvement contractors, it is the intent of the Residential Contractors Committee to focus the enforcement of the law during the first year of its enactment through December 31, 2012, primarily on contractors that are harming homeowners. The intent of the Committee will be accomplished by placing emphasis on consumer complaints and contractors working in disaster areas. Because it is not the intent to punish those who are initially unaware of the law, the Committee will endeavor to educate the consumers and contractors as to the requirements of the law through December 31, 2012.

224-25-5-11. HEARINGS & APPEALS

(a) All hearings and appeals of decisions of the Committee will be held in accordance with the Ark. Code Ann. § 17-25-501 et seq. and the Arkansas Administrative Procedure Act, Ark. Code Ann. § 25-15-201 et. seq.

(b) Appeals to the Contractors Licensing Board.

(1) Appeals from decisions of the Residential Building Contractors Committee to the Contractors Licensing Board shall be in writing and filed with the Contractors Licensing Board within 10 calendar days of the date the decision was served upon the respondent.

(2) A transcript of the original hearing(s) will be ordered and filed with the Contractors Licensing Board. A copy of the transcript will be provided to the respondent upon request. In the event the Contractors Licensing Board affirms or modifies, but does not reverse the decision of the Committee, the respondent will be responsible for the cost of the appeal. Said costs include, but are not limited to, the cost of the transcript. Said costs are in addition to any civil penalties or other sanction imposed.

(3) The Contractors Licensing Board will review the decision of the Committee in accordance with its Rules and Regulations.

224-25-5-12. DEADLINES

For any deadline that occurs on a Saturday, Sunday or holiday proclaimed by the State of Arkansas, the time to complete that event shall be extended until the next business day.

224-25-5-13. DEFINITIONS

(a) Ownership: When the terms His own or Its own property is used in the Residential Builder licensing law, it shall mean sole and exclusive right to sell or convey the property.

(b) Qualifying party: A person who has passed the appropriate examination or is the experience qualifier for the licensee. To act as a "qualifying party" a person must be either: (1) a sole owner; (2) a partner of the partnership; (3) an officer of the corporation who is actively engaged in the day to day activities of the company; (4) a member of the Limited Liability Company who is actively engaged in the day to day activities of the company; (5) a partner of the Limited Liability Partnership who is actively engaged in the day to day activities of the company; or (6) a full time employee.

(c) Full time employee: A person who is an actual employee of the business, not an independent contractor. The person must work, on average, 30 or more hours a week for the business (1500 hours per year), must not be paid as an independent contractor (not receive a "1099" for his earnings but receive a "W-2" for his earnings). A full time employee is not someone who is hired "job to job" as needed. Other factors to

be considered in making this determination include, but are not limited to: whether the business pays for worker's compensation insurance on the individual, whether the business pays payroll taxes on the individual, the amount of control the business has over the activities of the individual, the ownership of the tools used by the individual and, whether the individual maintains his own business separate from the business in question.

(d) Residential Remodeling: Any construction on a single-family residence involving structural changes, improvements, repairs or additions.

(e) Residential Building Contractor: The term "Residential Building Contractor" as found in Ark. Code Ann. § 17-25-502(2) does not include a developer who has constructed a residential project, if the developer:

- (1) Contracts with a properly licensed contractor to perform a turnkey project; and
- (2) The licensed contractor gives a written warranty at closing of not less than one year to the buyer of the residence.

(f) Own residence: The term "own residence" as found in Ark. Code Ann. § 17-25-509(c) and Ark. Code Ann. § 17-25-513 means the personal residence, the principal place of abode, the domicile, a residence constructed for the occupancy of the person who owns the property.

224-25-5-14. DISPLAY OF NAME AND LICENSE NUMBER

Each contractor holding a license from the Committee shall display in a prominent, legible manner the license number and contractor's name, as licensed, in letters not less than three inches high on a sign prominently displayed at all residential job sites.

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